

ASSEMBLY BILL

No. 1155

Introduced by Assembly Member La Suer

February 22, 2005

An act to add Section 32126.3 to the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1155, as introduced, La Suer. Health care districts.

Existing law provides for the formation of health care districts, provides for appointments of their governing boards, and sets forth their powers and duties, including but not limited to the power to enter into long-term leases for the operation of a hospital or a part of a hospital, and establishes standards for determining whether a transfer of assets by a local district is at fair market value.

This bill would, notwithstanding those provisions, permit extension of a lease or transfer agreement following expiration of 50% of its term.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 32126.3 is added to the Health and
- 2 Safety Code, to read:
- 3 32126.3. (a) Notwithstanding any provision of law to the
- 4 contrary, including, but not limited to subdivision (a) of Section
- 5 32126, any existing lease or transfer agreement executed and
- 6 approved pursuant to the requirements of subdivision (p) of
- 7 Section 32121 may, following the expiration of 50 percent of its

1 original duration, including any extension thereof, be extended
2 by a sum in years not to exceed the completed portion of the
3 lease or transfer, if all of the following conditions are met:

4 (1) Two public hearings as held at which the public has an
5 opportunity to comment on the performance of the lessee or
6 transferee.

7 (2) A findings and determination is made by the board that all
8 of the following conditions are met:

9 (A) The lessee or transferee has substantially complied with
10 the terms of the existing lease or transfer.

11 (B) An extension is in the public interest.

12 (C) The lessee or transferee has a satisfactory record of
13 integrity and has performed its obligations in a satisfactory
14 manner.

15 (D) The extended lease retains substantially the same public
16 purpose and character as when originally executed.

17 (E) The lessee or transferee possesses sufficient credit and
18 capacity to carry out the terms of an extended lease.

19 (b) The authority granted in this section is discretionary on the
20 part of the public agency. This section grants neither an
21 expectation nor an entitlement to an extension of any lease or
22 transfer.